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SUBJECT: MOSCOW CONSENSUS - MEDVEDEV ASCENDANT

Classified By: Charge d'Affaires Daniel A. Russell. Reasons: 1.4 (d).

¶1. (C) Summary: The political class is still digesting the changes in government, the first steps of the Medvedev-Putin tandem, and the reactions of the elite and media over the past few weeks, but five of Russia's top political analysts see power accruing to Medvedev -- with Putin's blessing. Those analysts told us separately May 20 - 21 that Medvedev would increasingly tighten his grip on power with the passage of time, but that it was unlikely his foreign and domestic policy course would vary much from that charted by Putin during his eight years in office. All cautioned that the absence of institutions meant that the situational approach to governance adopted by Putin would continue. It would also make future developments dependent on prevailing circumstances, and would cause Medvedev to move cautiously as he consolidated power. On the whole, our contacts scored the "siloviki" as losers in the recent White House/Kremlin personnel shuffles. The consensus analysis envisions that Putin would leave office before 2012, but our contacts were reluctant to guess when exactly that might occur. End summary.

Medvedev in Control

¶2. (C) Embassy officers over the past week met with Newsweek journalist Mikhail Fishman, Moscow Komsomolets journalist Aleksandr Budberg (who is also the husband of Medvedev Press Secretary Natalya Timakova), Carnegie Center's Dmitriy Trenin, Higher School of Economic's Mark Urnov, and the International Institute for Political Expertise's General Director Yevgeniy Minchenko to discuss their views of the tandem leadership. Although those experts disagreed in their interpretation about specific elements of recent events, they expressed unanimity in the view that Medvedev, as Budberg put it, "was not put in place to be a puppet," and would, over time assert his authority as President. Trenin explained that "becoming the President" in Russia, where the only real political institution is the Presidency, is a long process. Medvedev must build his networks within the elite and ultimately assume the role of arbiter among the various clans that predominate in the political sphere. Putin understands this, and is working to protect Medvedev. (Trenin warned, however, that if Medvedev fails to become the central arbiter, then all bets are off, with the potential for early elections or other political maneuvering.)

¶3. (C) Minchenko described the current phase as "transitional," and projected that the next one to two years would see:

-- Medvedev growing more self-confident,
-- an elite re-orientation to Medvedev,
-- and the installation of more purely Medvedev loyalists in governing structures.

Creating the framework for Medvedev's increasing power was, as Medvedev himself had noted in two pre-election interviews, Russia's traditional and institutional preference for a

presidential republic. Minchenko, Fishman, and Budberg were all also convinced that Putin "wanted out," and had picked Medvedev with his own departure in mind.

The Course is Continuity

¶4. (C) The analysts did not expect that Medvedev would "break" with Putin, or with the course he had pursued during his eight years as President, in any dramatic way. Budberg was less categorical, prefacing his answers to almost every question with "it will depend on the circumstances." Asked, for example, if there could be a freer press during Medvedev's first term, Budberg guessed that continued prosperity and the continued complacency of the Russian body politic could usher in wider-ranging debates on central television. Budberg expected that Putin would "gratefully" relinquish foreign policy, as soon as Medvedev felt comfortable with the portfolio. Minchenko believed that Putin had selected Medvedev with foreign policy in mind, noting that Putin had hoped that Medvedev's less confrontational approach would contribute to improved relations with the West.

¶5. (C) Domestically, our contacts expected some changes on the margins as Medvedev becomes more confident in his position. Urnov predicted that Medvedev would look to regional leaders as a base of support, with the likely outcome of a more flexible vertical of power, allowing for greater independence for regional elites than under Putin. That said, Urnov expressed doubt that Medvedev would move forward with sweeping reforms proposed by Minister of

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Regional Development Kozak until he had consolidated his relationships with the governors.

Don't Underestimate Medvedev

¶6. (C) All repeatedly cautioned against underestimating Medvedev, whom Minchenko described as "tough, experienced, but restrained." Budberg and Fishman believed that Medvedev had demonstrated those qualities during the "real presidential campaign," the two-year trial period that preceded Putin's public endorsement of Medvedev. Unlike presidential candidate Sergey Ivanov, Medvedev had refused to conduct himself like a president-in-waiting, and had remained immersed in the details of the National Priority Projects he was responsible for. Ivanov had failed in his efforts to reform the MOD when Minister, and had demonstrated little appetite for the nuts and bolts of the job. Recalling the time when Ivanov was making pronouncements on foreign policy and commanding more airtime than Medvedev, Minchenko guessed that Putin, who came from a hardscrabble background, had appreciated Medvedev's "ability to take a punch," and busy himself with his portfolio instead of making an effort to upstage Ivanov.

¶7. (C) Urnov characterized Medvedev as ambitious and as a man who wants to be the "number 1 guy" in politics. The launch of his anti-corruption campaign provided Medvedev a means to raise his public image by tapping populist sentiments against the bureaucracy, although Urnov characterized the campaign as a propaganda exercise. At the same time, his program of judicial reform gives him leverage for potential conflict within the elite or the recalcitrant bureaucrats. Trenin also saw sensibility in Medvedev's first steps, highlighting his trip to a missile base in Ivanovo oblast and his presiding over the military parade on Red Square on May 9 as evidence of his seriousness about his responsibilities as Commander-in-Chief.

No Putin - Medvedev Competition

¶ 8. (C) Budberg, Minchenko, and Fishman cautioned against attempting to keep a Medvedev - Putin scorecard. Budberg, when asked if it was important that Medvedev had failed to convene a Security Council conclave on Saturday, May 17, as Putin had done on almost every Saturday during his eight years in office, said, "sometimes the optics are important, and sometimes they're not." Too much attention was paid during the Cabinet and Presidential Administration re-shuffles, to the alleged loyalties of those appointed. More important to Putin in that process, according to Minchenko, was shaping a cabinet that would streamline his workload and balance the personal rivalries that inevitably emerge among those who work many years together in a highly-competitive environment.

¶ 9. (C) The one outlier on this question was Mark Urnov, who took a more skeptical position, arguing that the apparatus would push both Putin and Medvedev in a campaign for influence. Ultimately, those tensions would lead to rivalry and competition, even against the wishes of the tandem. He looked at some the cadre changes, the proposed judicial reforms, and the corruption campaign as a signal that the "struggle has begun."

The "Siloviki" Weaker

¶ 10. (C) Fishman and Budberg thought that the "siloviki" had emerged weaker in the new configuration. Having lost his position in the Kremlin, newly appointed Deputy Prime Minister Sechin was now a more public figure with no control over Putin's paperflow, Minchenko added. Although rumors about FSB Chairman Bortnikov's loyalties were contradictory, he is new to the job and will take some time to become a player, Fishman said. All of the "siloviki" had been moved out of the Presidential Administration, Budberg noted and most --former Justice Minister Ustinov, former Narcotics Control Service Director Cherkesov, former Presidential Administration Cadre Chief Viktor Ivanov, former FSB Chief Patrushev-- out of the inner, governing circle. Trenin was impressed with the way in which the siloviki had been managed thus far, seeing the tandem "buying off" the leadership while diminishing their political power.

¶ 11. (C) Minchenko was somewhat less confident that the Sechin "siloviki" had given ground in the re-shuffle. He noted that Sechin retained great influence and predicted, for example, that Viktor Ivanov would purge Cherkesov loyalists at the Federal Anti-Narcotics Service. Still, Minchenko thought that Medvedev had "done well" in the re-shuffle. He had

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insisted on, and received, a Presidential Administration to his liking and in Sergey Naryshkin, Medvedev had a --in Fishman's words-- PA Head who was "disciplined, unbiased, and dedicated to the person in charge."

Comment

¶ 12. (C) It will take months for the outlines of the Medvedev - Putin working arrangement to become clearer. As Budberg, Fishman, and Minchenko noted to us, television --the key medium in framing power relations for the public-- has in the meantime made its choice. Medvedev is first up on the evening news and the national moments --the Kremlin victory receptions for St. Petersburg's Zenit soccer team and the national hockey team-- are his to preside at. The MFA's insistence that Medvedev, not Putin, meet German Foreign Minister Steinmeier and French Foreign Minister Kouchner during their recent trips to Moscow is meant to underscore Medvedev's primacy during the initial, delicate transition months. Putin's eight years in the presidency and his evident intention to be an active Prime Minister mean that this transition will of necessity be very different from the Yeltsin - Putin hand-off, but observers here believe that the

outcome, in the end, will be the same - the accretion of power to the Kremlin.

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